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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/625,082	07/22/2003	Gary William Flake	5598/9	9457

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EXAMINER

CHARLES, DEBRA F

ART UNIT PAPER NUMBER

3624

DATE MAILED: 01/27/2005

Please find below and/or attached an Office communication concerning this application or proceeding.



Office Action Summary

Application No.

10/625,082

Applicant(s)

FLAKE ET AL.

Examiner

Debra F. Charles

Art Unit

3624

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --
Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 22 July 2003.
2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-39 is/are pending in the application.
4a) Of the above claim(s) _____ is/are withdrawn from consideration.
5) ☐ Claim(s) _____ is/are allowed.
6) ☒ Claim(s) 1-39 is/are rejected.
7) ☐ Claim(s) _____ is/are objected to.
8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. _____.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
3) ☒ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
Paper No(s)/Mail Date July 22, 2003.
4) ☐ Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____.
5) ☐ Notice of Informal Patent Application (PTO-152)
6) ☐ Other: _____.

Claim Rejections - 35 USC § 101

1. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 1-32 are rejected under 35 U.S.C. 101 because the bodies of the claims do not recite technology, i.e. computer implementation or any other technology in a non-trivial manner. *In re Toma*, 197 USPQ 852 (CCPA 1978). *Ex parte Bowman* 61 USPQ2D 1669.

For a claim to be statutory under 35 USC 101 the following two conditions must be met:

1) The claimed invention must produce a “useful, concrete, tangible result” (*In re Alappat*, 31USPQ2d 1545, 1558 (Fed. Cir. 1994) and *State Street vs. Financial Signature Group Inc.*, 47 USPQ2d 1596’ 1601-02 (Fed Cir. 1998));

AND

2) The claimed invention must utilize technology in a non-trivial manner (*Ex parte Bowman*, 61 USPQ2d 1665, 1671 (Bd. Pat. Pat. App. & Inter. 2001)).

As to the technology requirement, note MPEP 2106 IV B 2(b). Also note *In re Waldbaum*, 173USPQ 430 (CCPA 1972) which teaches “useful arts” is synonymous with “technological arts”. In *Musgrave*, 167USPQ 280 (CCPA 1970), *In re Johnston*, 183USPQ 172 (CCPA 1974), and *In re Toma*, 197USPQ 852 (CCPA 1978), all teach a technological requirement.

In *State Street*, “in the technological arts” was never an issue. The invention in the body of the claim must recite technology. If the invention in the body of the claim is not tied to technological art, environment, or machine, the claim is not statutory. *Ex parte Bowman* 61USPQ2d 1665,1671 (BD. Pat. App. & Inter.2001)(Unpublished).

Claim Rejections - 35 USC § 112

2. The following is a quotation of the first paragraph of 35 U.S.C. 112:

The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same and shall set forth the best mode contemplated by the inventor of carrying out his invention.

3. Claims 1-39 are rejected under 35 U.S.C. 112, first paragraph, because the specification, while being enabling for defining for concepts and valuation, does not reasonably provide enablement for the transaction. The technical steps required to illustrate the details of how the transaction is implemented are missing. The specification does not enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to re-create the invention commensurate in scope with these claims. The explanation of how the invention actually works and is implemented does not clearly enumerate enough details to enable recreation of the invention by one of ordinary skill.

4. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

5. Claims 1-39 are rejected under 35 U.S.C. 112, second paragraph, as being incomplete for omitting essential elements, essential steps and essential structural cooperative relationships of elements, such omission amounting to a gap between the elements. See MPEP § 2172.01. The omitted elements are: the exact steps needed to implement the invention so that it can be re-created by one of ordinary skill. The claims are too board and do not indicate how the value of the instruments are established based on the associated one or more concepts.

Claim Rejections - 35 USC § 103

6. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

7. Claims 1,2,3,4,9,10,11,12,13,14,15, 20, 21,25, 28,29,30, 31, 33 and 34 are rejected under 35 U.S.C. 103(a) as being unpatentable over Rubinstein(U.S.PAT. 5794233A) and Laage et al.(U.S.PUB. 2002/0138445A1).

Re claim 1: Rubinstein disclose a method for allowing transactions in instruments, the method comprising defining a set of one or more term-based concepts, each of the concepts comprising a set of one or more terms, the terms being usable in computerized searches(Abstract, col. 3, lines 1-45), and

each of the concepts being capable of being valued based on a set of one or more parameters(col. 6, lines 50-67).

Rubinstein disclose(s) the claimed invention except allowing transactions in a set of one or more instruments. However, in Abstract, para. 0070, 0071 thereof, Laage et al. disclose(s) an instrument for a transaction. It would be obvious to one of ordinary skill in the art to modify the invention of Rubinstein based on the teachings of Laage et al. The motivation to combine these references is to enhance the effectiveness and efficiency of transactions based on terms that combine to equal a concept.

Re claims 2 and 3: Rubinstein disclose(s) performing the method using at least one computer and networked computer system(col. 7, lines 35-67).

Re claim 4: Rubinstein disclose(s) defining each of the concepts such that each of the terms of the concept relates to a theme(Abstract, col. 3, lines 1-45).

Re claim 11: Rubinstein disclose defining each of the concepts such that each of the terms comprises at least one of a character, a character string, a letter, a word, a phrase, an abbreviation, a sentence, and a symbol(Abstract, col. 3, lines 1-30, col. 7, lines 1-20, col. 8, lines 1-40, col. 13, line 55-col. 14, line 15).

Re claims 12 and 13: Rubinstein disclose defining terms by manual selection(col. 3, lines 1-30, col. 9, lines 10-20), and defining terms using a computer algorithm(col. 8, lines 60-67).

Re claims 14 and 15: Rubinstein disclose comprising defining terms using at least one of a clustering algorithm, a machine learning algorithm, an automatic naming algorithm, and an artificial intelligence-based algorithm. And comprising defining terms using a combination of manual selection and use of a computer algorithm(col. 8, lines 60-67).

Re claims 9,10 and 25: Rubinstein disclose(s) the claimed invention except buying and selling of one or more of the instruments by users of the networked computer system and allowing transactions including exchanging one or more of the instruments for value; and denominating the payoff of one or more of the instruments in at least one of money, currency, fake money, fake currency, game money, game currency, coupons, credits, discounts, certificates, goods, services, and rights. However, in Abstract, para. 0070, 0071 thereof, Laage et al. disclose(s) an instrument for a transaction, and where the instrument is money. It would be obvious to one of ordinary skill in the art to modify the invention of Rubinstein based on the teachings of Laage et al. The motivation to combine these references is to enhance the effectiveness and efficiency of transactions based on terms that combine to equal a concept.

Re claims 20 and 21: Rubinstein disclose valuing concepts based on parameters associated with use of terms of the concept as search terms in one or more search engines or search portals. And comprising valuing a concept based on values of one or more measures of future economic

value of at least one of the concept and one or more terms of the concept(Abstract, col. 18, lines 40-col. 19, lines 20 and claim 8, where economic value is determined by the statistical probability that the query will create a match).

Re claims 28, 29, 30, 31: Rubinstein disclose obtaining the one or more terms from a set or one or more terms obtained from a search engine system. And obtaining the one or more terms from a set of one or more search terms used in one or more computerized searches.

And selecting the one or more terms from a set of one or more search terms used in one or more computerized searches. And comprising deriving the one or more terms from a set of one or more search terms used in one or more computerized searches(Abstract, col. 5, lines 35-65, col. 6, lines 30-67).

Re claim 33: Rubinstein disclose a networked computer system (col. 7, lines 35-67)the system comprising:
one or more client computers connectable to a network (col. 7, lines 35-67),
and one or more server computers, connectable to the network(col. 7, lines

35-67), each of the concepts comprising a set of one or more terms(Abstract, col. 3, lines 1-45), the terms being usable in computerized searches, and each of the concepts being capable of being valued based on a set of one or more parameters(col. 6, lines 50-67).

Rubinstein disclose(s) the claimed invention except allowing transactions in a set of one or more instruments for facilitating transactions in instruments using the client computers, each of the instruments being associated with one or more concepts. However, in Abstract, para. 0070, 0071 thereof, Laage et al. disclose(s) an instrument for a transaction, a network for transactions, and financial instruments associated with one or more ideas. It would be obvious to one of ordinary skill in the art to modify the invention of Rubinstein based on the teachings of Laage et al. The motivation to combine these references is to enhance the effectiveness and efficiency of transactions based on terms that combine to equal a concept.

Re claim 34: Rubinstein discloses the claimed invention except one or more databases connectable to the network, for storing information relating to the concepts, the financial instruments, and the parameters. However, in

Abstract, para. 0072, thereof Laage et al. disclose databases and financial instruments. It would be obvious to one of ordinary skill in the art to modify the invention of Rubinstein based on the teachings of Laage et al. The motivation to combine these references is to enhance the effectiveness and efficiency of transactions based on terms that combine to equal a concept.

8. Claims 5, 6, 7, 8, 17, 18, 19, 22, 23, 24, 26 and 27 are rejected under 35 U.S.C. 103(a) as being unpatentable over Rubinstein and Laage et al. as applied to claim 1 above, and further in view of Davis et al.

Re claims 5,6,7 and 8: Rubinstein and Laage et al. disclose(s) the claimed invention except an advertising value, based on Pay-for-performance data, based on one or more measures of demand for the concept as a search-based advertising vehicle, and clicks in a pay per click search-based advertising system. However, in Abstract, col. 4, line 60-col. 5, line 35, col. 6, line 35-col. 7, line 15, thereof Davis et al. disclose pay-for-performance data along with pay per click data, and advertising on the web. It would be obvious to one of ordinary skill in the art to modify the invention of Rubinstein and Laage et al. based on the teachings of Davis et al. The

motivation to combine these references is to enhance the effectiveness and efficiency of responses to advertising on the web.

Re claims 17, 18, 19, 22, 23, 24, 26 and 27: Rubinstein and Laage et al. disclose(s) the claimed invention except allowing betting transactions, wherein bets relate to present or future values of concepts; allowing betting transactions including at least one of odds bets, line bets, and pari-mutuel bets; and basing a payoff value of a bet on at least one of a future value of the concept and a demand associated with the bet. And valuing a concept based on Internet pay per click auction data relating to one or more terms of the concept, the Internet pay per click auction data comprises at least one of total revenue generated over a period of time for one or more terms, average revenue over a period of time for one or more terms, median revenue over a period of time for one or more terms, and a median clicked price. One or more measures relate to at least one of advertising data, business data, and consumer data. However, in the Abstract, col. 5, lines 1-col. 6, line 35, thereof Davis et al. disclose a bidding situation along with the pay-for-performance, click data, revenue generated, and advertising data. It would be obvious to one of ordinary skill in the art to modify the

invention of Rubinstein and Laage et al. based on the teachings of Davis et al. The motivation to combine these references is to enhance the effectiveness and efficiency of responses to advertising on the web.

9. Claim 16 is rejected under 35 U.S.C. 103(a) as being unpatentable over Rubinstein and Laage et al. as applied to claim 1 above, and further in view of Conklin et al.(U.S.PUB. 2002/0091621A1).

Re claim 16: Rubinstein and Laage et al. disclose(s) the claimed invention except allowing transactions in instruments that are or are modeled after financial securities. However, in the Abstract, para. 0009, 0010 thereof, Conklin et al. disclose transactions in instruments modeled after a financial security. It would be obvious to one of ordinary skill in the art to modify the invention of Rubinstein and Laage et al. based on the teachings of Conklin et al. The motivation to combine these references is to enhance the effectiveness and efficiency of transactions in financial instruments.

10. Claim 32 is rejected under 35 U.S.C. 103(a) as being unpatentable over Rubinstein, Laage et al. and Davis et al.

Re claim 32: Rubinstein disclose a method for allowing transactions in instruments on a networked computer system(col. 7, lines 35-67), the method comprising:

defining a set of one or more term-based concepts(Abstract, col. 3, lines 1-45), each of the concepts comprising a set of one or more terms determined using one or more computer algorithms(col. 8, lines 60-67), the terms being usable in computerized searches(Abstract, col. 3, lines 1-45), and each of the concepts being capable of being valued based on a set of one or more parameters(col. 6, lines 50-67) and using the networked computer system(col. 7, lines 35-67), and each of the instruments being capable of being valued based on the value of the associated one or more concepts(Abstract, col. 3, lines 1-30, col. 7, lines 1-20, col. 8, lines 1-40, col. 13, line 55-col. 14, line 15).

Rubinstein disclose(s) the claimed invention except allowing transactions in a set of one or more instruments, each of the instruments being associated

with one or more of the concepts. However, in Abstract, para. 0070, 0071 thereof, Laage et al. disclose(s) an instrument for a transaction. It would be obvious to one of ordinary skill in the art to modify the invention of Rubinstein based on the teachings of Laage et al. The motivation to combine these references is to enhance the effectiveness and efficiency of transactions based on terms that combine to equal a concept.

Rubinstein and Laage et al. disclose(s) the claimed invention except for determining an advertising value of each of the concepts. However, in Abstract, col. 4, line 60-col. 5, line 35, col. 6, line 35-col. 7, line 15, thereof Davis et al. disclose pay-for-performance data along with pay per click data, and advertising on the web. It would be obvious to one of ordinary skill in the art to modify the invention of Rubinstein and Laage et al. based on the teachings of Davis et al. The motivation to combine these references is to enhance the effectiveness and efficiency of responses to advertising on the web.

11. Claim 35 is rejected under 35 U.S.C. 103(a) as being unpatentable over Rubinstein and Laage et al.

Re claim 35: Rubinstein disclose a computer usable medium storing program code which(Fig. 4, items 403, 404 and 405), when executed on a computerized device(col. 7, lines 35-67), causes the computerized device to execute a method for defining a set of one or more concepts, each of the concepts comprising a set of one or more terms, the terms being usable in computerized searches, and each of the concepts being capable of being valued based on a set pf one or more parameters, and using the networked computer system, each of the instruments being associated with one or more of the concepts(Abstract, col. 3, lines 1-30, col. 7, lines 1-20, col. 8, lines 1-40, col. 13, line 55-col. 14, line 15).

Rubinstein disclose(s) the claimed invention except allowing transactions in a set of one or more instruments and each of the instruments being capable of being valued based on the value of the associated one or more concepts. However, in Abstract, para. 0070, 0071 thereof, Laage et al. disclose(s) an instrument for a transaction. It would be obvious to one of ordinary skill in the art to modify the invention of Rubinstein based on the teachings of Laage et al. The motivation to combine these references is to

enhance the effectiveness and efficiency of transactions based on terms that combine to equal a concept.

12. Claims 36 – 39 are rejected under 35 U.S.C. 103(a) as being unpatentable over Laage et al. and Rubinstein.

Re claim 36: Laage et al. disclose in a computerized system for allowing transactions in instruments, the instruments being capable of being valued based on values of term-based concepts(Abstract, para. 0070, 0071).

Laage et al. disclose(s) the claimed invention except terms of the concepts being useable in computerized searches, a method for determining terms of a term-based concept, the method comprising: determining a label for the concept, and determining a set of one or more terms of the concept; wherein at least one of determining the identifying label and determining a set of one or more terms is performed with one or more computer algorithms. However, in the col. 7, lines 35-67, Abstract, col. 3, lines 1-45, col. 8, lines 60-67, col. 6, lines 50-67, Abstract, col. 3, lines 1-30, col. 7, lines 1-20, col. 8, lines 1-40, col. 13, line 55-col. 14, line 15, thereof

Rubinstein discloses word-related searches based on concepts in a network environment. It would be obvious to one of ordinary skill in the art to modify the invention of Laage et al. based on the teachings of Rubinstein. The motivation to combine these references is to enhance the effectiveness and efficiency of transactions based on terms that combine to equal a concept.

Re claims 37, 38 and 39: Laage et al. disclose(s) the claimed invention except wherein the one or more computer algorithms determine the label, one or more computer algorithms determine the one or more terms, and computer algorithms comprise at least one of a clustering algorithm, a machine learning algorithm, and an artificial intelligence algorithm.

However in col. 8, lines 60-67, Rubinstein discloses algorithm. It would be obvious to one of ordinary skill in the art to modify the invention of Laage et al. based on the teachings of Rubinstein. The motivation to combine these references is to enhance the effectiveness and efficiency of transactions based on terms that combine to equal a concept.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Debra F. Charles whose telephone number is (703) 305-4718. The examiner can normally be reached on 9-5 Monday thru Friday.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Vincent A. Millin can be reached on (703) 308-1065. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

VINCENT MILLIN
SUPERVISORY PATENT EXAMINER
TECHNOLOGY CENTER 3600

Debra F. Charles
Examiner
Art Unit 3624



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